

16 March 2015

By email: awicomb@parliament.gov.za
cc: Roy.Havemann@treasury.gov.za

For the attention of: Mr Yunus Ismail Carrim
Chairman of the Standing Committee on Finance
Parliament of the Republic of South Africa

Dear Sir,

Re: The Banks Act Amendment Bill [B17-2014] ('the Bill')

I write to you in relation to the above matter and advise that, from a Curatorship of African Bank Limited (the "Bank") perspective, the factors below reflect my views on the need for the proposed changes to the Banks Act (the "Act");

We, and our legal advisors, have engaged extensively with National Treasury (and the SARB) regarding the need for the changes to the Act. We support the changes as proposed by National Treasury and are satisfied that the proposed changes are essential should the proposal announced by the then Governor of the Reserve Bank, Governor, Ms Marcus on 10 August 2014 be shown to be the optimal solution for the resolution of the Bank. In the absence of the proposed changes the aforesaid proposal cannot, in our opinion, be implemented and if no other proposal for the resolution of the Bank is forthcoming it will probably result in the failure of the Bank and ultimately in its liquidation.

The failure of the Bank will have far reaching consequences, not least of all a reduction in the amount available for payment to the creditors of the Bank in settlement of their claims, the loss of circa 4 700 jobs, the loss of access to finance for circa 3 million Bank customers and a reduction in competition in this 'under banked' segment of the market.

In our opinion the ability to deliver a successful resolution of the Bank via Curatorship is of great importance in terms of the domestic and international market perception and confidence in the South African banking sector and the South African economy as a whole.

I would be happy to assist you further if you require any further clarification regarding the above.

Yours faithfully,



Tom Winterboer
Curator - African Bank Limited

T Winterboer was appointed as curator of African Bank Limited (the "Bank") on 10 August 2014 by the Minister of Finance of the Republic of South Africa and pursuant to the Banks Act No. 94 of 1990 (as amended) to manage the affairs of the Bank subject to the supervision of the Registrar. Please note, Mr Winterboer acts in the aforesaid capacity.

African Bank Limited - Registration Number 1975/002526/06

Tel 011 256 9000 Address 59 16th Road, Midrand, South Africa Postal Private Bag X170, Midrand, 1685, South Africa

Non-executive Directors: M C Mogase (Chairman), N Adams, RJ Symmonds, Advocate MF Gumbi, JDMG Koolen (Dutch), N Langa-Royds, M Mthombeni

Executive Director: N Nalliah Company Secretary: LM Goliath

NCR Registration number: NCRCP5. African Bank is an Authorised Financial Services and Credit Provider